

**ND TEACHERS FUND FOR RETIREMENT  
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2008**

	July-08				Current	Prior Year	3 Years	5 Years
	Allocation			Month	Fiscal YTD	FY08	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
							Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
LA Capital	72,001,793	4.0%	3.9%	-1.18%	-1.18%	-6.96%	8.22%	N/A
<b>Total Structured Growth</b>	<b>72,001,793</b>	<b>4.0%</b>	<b>3.9%</b>	<b>-1.18%</b>	<b>-1.18%</b>	<b>-6.96%</b>	<b>8.22%</b>	<b>10.32%</b>
<i>Russell 1000 Growth</i>				-1.90%	-1.90%	-5.96%	5.91%	7.32%
<i>Structured Value</i>								
LSV	64,365,180	3.6%	3.9%	-0.19%	-0.19%	-22.29%	3.56%	11.19%
<i>Russell 1000 Value</i>				-0.36%	-0.36%	-18.78%	3.53%	8.92%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	58,468,796	3.2%	3.3%	-1.72%	-1.72%	-10.70%	6.55%	9.03%
<i>Russell 1000</i>				-1.16%	-1.16%	-12.36%	4.81%	8.22%
<i>Enhanced S&amp;P 500 Index</i>								
Northern Trust	27,174,474	1.5%	1.7%	-0.49%	-0.49%	-15.84%	3.14%	6.72%
Westridge	60,653,576	3.4%	3.6%	-0.73%	-0.73%	-12.25%	4.94%	8.02%
Wells Capital	46,646,799	2.6%	2.8%	-3.81%	-3.81%	-31.59%	N/A	N/A
European Credit Management	28,753,938	1.6%	1.7%	-3.19%	-3.19%	N/A	N/A	N/A
Prudential	33,460,789	1.9%	1.8%	-1.17%	-1.17%	N/A	N/A	N/A
Franklin	28,495,921	1.6%	1.7%	-0.90%	-0.90%	-13.65%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>225,185,497</b>	<b>12.5%</b>	<b>13.2%</b>	<b>-1.76%</b>	<b>-1.76%</b>	<b>-18.66%</b>	<b>2.40%</b>	<b>6.45%</b>
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<i>Absolute Return Strategy</i>								
Epoch	31,244,114	1.7%	1.7%	-2.04%	-2.04%	-6.84%	N/A	N/A
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%		
<i>S&amp;P 500 Index</i>								
State Street	33,792,230	1.9%	2.0%	-1.16%	-1.16%	-18.23%	2.99%	6.70%
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>485,057,609</b>	<b>26.9%</b>	<b>28.0%</b>	<b>-1.44%</b>	<b>-1.44%</b>	<b>-16.11%</b>	<b>4.22%</b>	<b>8.17%</b>
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
SEI	116,366,934	6.4%	7.2%	1.18%	1.18%	-22.41%	1.06%	8.52%
<i>Russell 2000 + 200bp</i>				3.87%	3.87%	-14.48%	5.88%	12.50%
Callan	49,114,723	2.7%	2.8%	0.49%	0.49%	-15.44%	N/A	N/A
<i>Russell 2000</i>				3.70%	3.70%	-16.19%		
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>165,481,656</b>	<b>9.2%</b>	<b>10.0%</b>	<b>0.97%</b>	<b>0.97%</b>	<b>-20.36%</b>	<b>2.11%</b>	<b>9.20%</b>
<i>Russell 2000</i>				3.70%	3.70%	-16.19%	3.79%	10.29%
<b>INTERNATIONAL EQUITY</b>								
<i>Large Cap - Core</i>								
State Street	31,692,231	1.8%	1.8%	-3.73%	-3.73%	-13.11%	12.40%	14.27%
<i>MSCI EAFE (1)</i>				-3.21%	-3.21%	-10.61%	12.84%	14.86%
<i>Large Cap - Active</i>								
Capital Guardian	97,614,295	5.4%	5.4%	-3.93%	-3.93%	-13.89%	11.58%	14.15%
LSV	91,826,869	5.1%	5.4%	-2.78%	-2.78%	-23.98%	8.07%	N/A
<b>Total Large Cap - Active</b>	<b>189,441,164</b>	<b>10.5%</b>	<b>12.6%</b>	<b>-3.38%</b>	<b>-3.38%</b>	<b>-20.05%</b>	<b>9.04%</b>	<b>13.03%</b>
<i>MSCI EAFE - 50% Hedged</i>				-2.64%	-2.64%	-15.14%	10.93%	14.67%
<i>Small Cap - Active</i>								
DFA	30,787,231	1.7%	1.8%	-0.44%	-0.44%	N/A	N/A	N/A
Wellington	31,412,159	1.7%	1.8%	-5.49%	-5.49%	-15.19%	9.83%	16.11%
<b>Total Small Cap - Active</b>	<b>62,199,390</b>	<b>3.4%</b>	<b>3.6%</b>	<b>-3.00%</b>	<b>-3.00%</b>	<b>-15.60%</b>	<b>9.53%</b>	<b>16.89%</b>
<i>S&amp;P/Citigroup BMI EPAC &lt; \$2BN</i>				-4.30%	-4.30%	-19.12%	10.36%	19.26%
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>283,332,785</b>	<b>15.7%</b>	<b>18.0%</b>	<b>-3.33%</b>	<b>-3.33%</b>	<b>-18.47%</b>	<b>9.51%</b>	<b>13.93%</b>
<i>MSCI EAFE - 50% Hedged</i>				-2.64%	-2.64%	-15.14%	10.93%	14.67%
<b>EMERGING MARKETS EQUITY</b>								
<i>Core</i>								
JP Morgan	14,005,148	0.8%	0.9%	-3.11%	-3.11%	3.57%	N/A	N/A
PanAgora	14,292,041	0.8%	0.9%	-3.88%	-3.88%	7.21%	N/A	N/A
WestLB	14,711,202	0.8%	0.9%	-4.13%	-4.13%	11.12%	N/A	N/A
UBS	19,249,230	1.1%	1.2%	-4.18%	-4.18%	5.82%	N/A	N/A
<b>Total Core</b>	<b>62,257,621</b>	<b>3.4%</b>	<b>3.8%</b>	<b>-3.87%</b>	<b>-3.87%</b>	<b>6.87%</b>	<b>27.76%</b>	<b>29.00%</b>
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	4.89%	27.52%	22.84%
<i>Small Cap</i>								
DFA	14,648,559	0.8%	1.0%	-1.57%	-1.57%	-13.68%	N/A	N/A
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	4.89%		
<i>Private Equity</i>								
Capital International	5,326,888	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%			
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>82,233,069</b>	<b>4.6%</b>	<b>5.0%</b>	<b>-3.25%</b>	<b>-3.25%</b>	<b>2.99%</b>	<b>27.07%</b>	<b>28.58%</b>
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	4.89%	27.52%	30.15%

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	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
<b>DOMESTIC FIXED INCOME</b>								
<b>Core Bond</b>								
<b>Western Asset</b>	17,030,643	0.9%	1.0%	-2.53%	-2.53%	-0.30%	1.78%	2.90%
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	3.86%
<b>Index</b>								
Bank of ND	27,010,559	1.5%	1.6%	0.04%	0.04%	7.70%	3.93%	3.57%
<b>Total Index</b>	27,010,559	1.5%	1.6%	0.04%	0.04%	7.70%	4.17%	3.91%
Lehman Gov/Credit				0.00%	0.00%	7.24%	3.84%	3.58%
Enhanced								
<b>Westridge</b>	16,110,542	0.9%	0.8%	0.92%	0.92%	N/A	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%			
<b>Convertibles</b>								
Calamos (2)	18,022,915	1.0%	1.0%	-1.31%	-1.31%	-2.86%	N/A	N/A
<b>Total Convertibles</b>	18,022,915	1.0%	1.0%	-1.31%	-1.31%	-2.86%	4.55%	2.71%
Merrill Lynch All Convertibles (3)				-3.13%	-3.13%	-6.36%	5.72%	6.36%
<b>BBB Average Quality</b>								
<b>Wells Capital</b>	22,047,607	1.2%	1.0%	-0.60%	-0.60%	3.70%	3.26%	4.56%
Lehman BBB				-0.67%	-0.67%	2.62%	2.52%	3.44%
<b>Senior Debt</b>								
<b>PIMCO</b>	2,990,364	0.2%	1.0%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	N/A
<b>Private Debt</b>								
<b>Prudential</b>	17,640,279	1.0%	1.0%	0.27%	0.27%	3.32%	3.41%	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	N/A
<b>Timberland</b>								
TIR - Teredo (4)	21,998,643	1.2%	1.2%	-0.05%	-0.05%	22.02%	15.15%	14.07%
TIR - Springbank	48,403,877	2.7%	2.7%	-0.14%	-0.14%	15.25%	18.41%	N/A
<b>Total Timberland</b>	70,402,520	3.9%	3.9%	-0.11%	-0.11%	17.50%	17.86%	21.14%
NCREIF Timberland Index				0.34%	0.34%	19.96%	17.12%	14.70%
<b>Infrastructure</b>								
<b>JP Morgan</b>	34,052,944	1.9%	1.9%	-0.13%	-0.13%	13.28%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	225,308,372	12.5%	12.0%	-0.32%	-0.32%	9.02%	8.15%	9.65%
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	3.86%
<b>HIGH YIELD BONDS</b>								
<b>Core</b>								
Loomis Sayles	60,374,337	3.3%	3.0%	-1.44%	-1.44%	-1.43%	5.39%	N/A
Sutter/Wells Capital	53,271,442	3.0%	2.8%	-1.35%	-1.35%	-6.12%	2.58%	N/A
<b>Total Core</b>	113,645,780	6.3%	5.8%	-1.40%	-1.40%	-3.71%	4.01%	4.88%
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%	-1.75%	4.48%	N/A
<b>Mezzanine Debt</b>								
Goldman Sachs 2006 Fund	3,454,458	0.2%	0.2%	0.00%	0.00%	-3.89%	N/A	N/A
Goldman Sachs Fund V	4,662,791	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
TCW	8,251,590	0.5%	0.5%	0.00%	0.00%	7.26%	N/A	N/A
<b>Total Mezzanine Debt</b>	16,368,839	0.9%	0.9%	0.00%	0.00%	0.49%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.75%	11.22%		
<b>Distressed Mortgages</b>								
PIMCO	8,129,232	0.5%	0.5%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	2,067,409	0.1%	0.1%	0.96%	0.96%	N/A	N/A	N/A
<b>Total Distressed Mortgages</b>	10,196,641	0.6%	0.6%	0.22%	0.22%	N/A	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%			
<b>TOTAL HIGH YIELD BONDS</b>	140,211,260	7.8%	7.0%	-1.15%	-1.15%	-4.27%	3.82%	6.32%
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%	-1.75%	4.48%	6.88%
<b>INTERNATIONAL FIXED INCOME</b>								
<b>International Sovereign</b>								
<b>UBS Global (Brinson)</b>	44,615,006	2.5%	2.5%	0.37%	0.37%	17.24%	5.56%	6.49%
Citigroup Non-US Gov't Bond Index (5)				0.16%	0.16%	18.73%	6.63%	7.04%
<b>International Core</b>								
<b>Brandywine</b>	47,423,284	2.6%	2.5%	0.85%	0.85%	10.78%	7.06%	8.51%
Lehman Global Aggregate (ex-US)				0.27%	0.27%	16.53%	7.88%	7.38%
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	92,038,290	5.1%	5.0%	0.62%	0.62%	13.90%	6.31%	7.50%
Citigroup Non-US Gov't Bond Index (5)				0.16%	0.16%	18.73%	6.66%	7.06%
<b>REAL ESTATE</b>								
INVESCO - Core	93,723,996			-0.03%	-0.03%	8.27%	15.34%	14.88%
INVESCO - Fund II	2,043,753			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	88,452,142			-0.22%	-0.22%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	23,786,990			-0.20%	-0.20%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	2,275,898			0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	210,282,779	11.6%	9.0%	-0.13%	-0.13%	6.31%	14.44%	14.53%
NCREIF TOTAL INDEX				0.19%	0.19%	9.20%	14.82%	14.63%

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<b>ALTERNATIVE INVESTMENTS</b>							
Brinson IVCF III	250,829			0.00%	0.00%	43.92%	38.94%
Coral Partners V	4,263,585			0.00%	0.00%	9.09%	-8.23%
Coral Partners V - Supplemental	497,937			0.00%	0.00%	-6.34%	3.94%
Coral Momentum Fund (Formerly Fund VI)	7,145,693			0.00%	0.00%	13.96%	-7.09%
Brinson 1998 Partnership Fund	505,991			0.00%	0.00%	6.92%	16.40%
Brinson 1999 Partnership Fund	1,527,776			0.00%	0.00%	13.32%	14.25%
Brinson 2000 Partnership Fund	5,126,082			0.00%	0.00%	21.82%	17.78%
Brinson 2001 Partnership Fund	4,313,109			0.00%	0.00%	2.23%	9.49%
Brinson 2002 Partnership Fund	2,345,495			0.00%	0.00%	3.20%	10.72%
Brinson 2003 Partnership Fund	803,354			0.00%	0.00%	-6.42%	8.89%
Total Brinson Partnership Funds	14,621,807			0.00%	0.00%	13.85%	14.80%
Brinson 1999 Non-US Partnership Fund	725,096			0.00%	0.00%	-9.78%	33.76%
Brinson 2000 Non-US Partnership Fund	1,758,114			0.00%	0.00%	27.03%	28.82%
Brinson 2001 Non-US Partnership Fund	1,187,898			0.00%	0.00%	13.44%	14.66%
Brinson 2002 Non-US Partnership Fund	3,011,714			0.00%	0.00%	14.08%	31.81%
Brinson 2003 Non-US Partnership Fund	2,577,541			0.00%	0.00%	24.92%	23.29%
Brinson 2004 Non-US Partnership Fund	1,237,590			0.00%	0.00%	29.16%	N/A
Total Brinson Non-US Partnership Fund	10,497,952			0.00%	0.00%	18.83%	28.34%
Adams Street 2008 Non-US Partnership Fd	193,901			0.00%	0.00%	N/A	N/A
Brinson BVCF IV	7,171,293			0.00%	0.00%	-1.94%	9.88%
Adams Street Direct Co-investment Fund	7,882,608			0.00%	0.00%	4.06%	N/A
Matlin Patterson Global Opportunities	3,900,845			0.00%	0.00%	-29.56%	9.60%
Matlin Patterson Global Opportunities II	16,554,510			0.00%	0.00%	-5.55%	N/A
Matlin Patterson Global Opportunities III	8,198,356			0.00%	0.00%	-20.02%	N/A
InvestAmerica	3,932,857			0.00%	0.00%	27.36%	1.67%
Hearthstone MSII	42,490			0.00%	0.00%	-62.01%	-100.00%
Hearthstone MSIII	739,450			0.00%	0.00%	-10.75%	N/A
Corsair III	6,942,492			0.00%	0.00%	64.04%	N/A
Corsair III - ND Investors LLC	4,978,509			0.00%	0.00%	N/A	N/A
Quantum Resources	1,488,825			0.00%	0.00%	-52.44%	N/A
Quantum Energy Partners	1,251,219			0.00%	0.00%	-3.17%	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>100,555,158</b>	<b>5.6%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.55%</b>	<b>10.53%</b>
<b>CASH EQUIVALENTS</b>							
<b>Northern Trust STIF/STEP</b>	<b>20,678,911</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.19%</b>	<b>0.19%</b>	<b>3.40%</b>	<b>2.76%</b>
90 Day T-Bill				0.18%	0.18%	4.27%	3.18%
<b>TOTAL FUND</b>	<b>1,805,179,889</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.11%</b>	<b>-1.11%</b>	<b>8.42%</b>	<b>11.50%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-0.60%</b>	<b>-0.60%</b>	<b>8.32%</b>	<b>10.90%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Tored properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual